



STAFF REPORT – CITY COUNCIL MEETING

June 01, 2022

TO: Honorable Mayor and City Council Members

FROM: David Loya, Director of Community Development

PREPARER: David Loya, Director of Community Development

DATE: May 26, 2022

TITLE: **Receive an Update on Infill Planning Efforts.**

RECOMMENDATION:

Staff recommends the Council receive a staff report on the progress developing the Strategic Infill Redevelopment Plan including the Gateway Area Plan, a potential Form-Based Code, and the General Plan updates; receive public comment; and provide direction as warranted.

INTRODUCTION:

The City has been working on the Infill Plan process culminating in General Plan updates including the Gateway Area Plan for approximately five years. As we move through long-duration planning processes there is benefit in taking moments to review progress and revisit prior decisions to understand the context for the current work. This item reviews milestones to date, those going forward, and the timeline.

DISCUSSION:

The planning work and community engagement has transpired over several years. The City has invested in several engagements and important milestones for this work to date (Table 1). Notably, the 6th Cycle Housing Element adopted in late 2019 and the Infill Market Study adopted in early 2020 were significant milestones accomplished to date.

The remaining steps under the Strategic Infill Redevelopment Program include the General Plan update, the Gateway Area Plan (an Element of the General Plan), and several zoning ordinances required to implement the General Plan updates, including a potential Form-Based Code. This significant body of work is underway, and the public, Planning Commission, and Committees are currently evaluating the various elements of the General Plan.

Engagement Results

The City has held several different engagements to provide information to the public and seek input on the Gateway Plan. Staff has held several zoom events that were open to the public, tabled at the Farmers' Market, lead walking tours, hosted multiple "we'll come to you" sessions, presented at

multiple City Committee meetings, and had the topic on the Planning Commission’s agenda multiple times. In addition, staff has received several letters from interested parties with recommendations.

The engagement on the other draft General Plan Elements is also under way. To date, staff has held a visioning workshop on the General Plan, one meeting on Growth Management with the Planning Commission, and introductory meetings with the Parks and Rec Committee on the Parks and Recreation Element.

Staff is working on summarizing all of this engagement in a report. The report will provide a synopsis of the engagement results, as well as any underlying data that was collected. Staff will provide a recommendation to the Planning Commission, who will in turn provide a recommendation to the City Council regarding amendments to the Documents. The City Council is the decision-making body that will adopt the final documents.

Engagement Timeline

This timeline focuses on upcoming engagement with reference to recent Planning Commission meetings. The full engagement timeline will be compiled in the engagement report, which is currently being compiled. The timeline is our best estimate of when the topics will be addressed by each decision-making body and will be updated periodically to reflect the progress getting through the material. This timeline focuses on the Planning Commission and City Council meetings with reference to community engagements that will occur outside of the regular meetings. It does not include Committee meetings and other dispersed model engagements, which will also occur throughout the engagement timeframe.

The Planning Commission is currently reviewing each General Plan Element and each Chapter of the Gateway Area Plan (Table 1).

Table 1. Planning Commission Review Timeline

| PC Regular | Gateway Topic | General Plan Topic |
|------------|-------------------------------------|----------------------------|
| 5/10/2022 | Mobility | |
| | Employment/Arts/Open | |
| 5/24/2022 | Space/Streetscape | Growth Management |
| 6/14/2022 | Mobility/Streetscape/Infrastructure | |
| | | Resource Cons/Open |
| 6/21/2022 | Housing | space |
| 7/12/2022 | Design | Land Use/Health |
| 7/26/2022 | Design | Design/Historic |
| | | Infrastructure/public |
| 8/9/2022 | Design | safety |
| 9/13/2022 | EIR | Circulation/Recreation/EIR |
| 10/25/2022 | Recommendation | Recommendation |

The City Council will hold a joint study session with the Planning Commission on July 12. Staff anticipates at least one more joint study session with the Planning Commission to discuss the environmental document and progress at that point. The study sessions will provide the Council and Commission the opportunity to discuss the various plans and for the Council to give the Commission and staff policy guidance.

The City Council will have regular updates on the planning work (Table 2). Staff intends to bring regular updates to the Council. And Council may wish to include additional regular meeting review dates or special meetings can be added to cover the plans in greater detail. The dates in Table 2 are dependent on various factors, such as recommending body review, work product, and other factors, so this schedule should be considered flexible.

Table 2. City Council Review Timeline

| CC Regular | |
|---------------------------|---|
| 6/15/2022 | Engagement Report Draft |
| August 2022 | Gateway Update |
| September- October2022 | General Plan Update |
| November2022 | Environmental Impact Report Update |
| Jan- March 2023 | Council Full Review and Direction |
| 2023 | Zoning Amends to Implement General Plan |

Process

The community design process is the next critical next step to the engagement process for the Gateway Area Plan. Staff is working with the City’s consultant to refine the scope of work for this next phase to ensure the engagement is equitable and broadly distributed. The process will involve using several graphical methods to get feedback on the design specifications the community wants to see in the Gateway Area. The engagement will include a mix of photographs, 3D GIS maps, and architectural renderings to convey possible building height and massing, setbacks, articulation, streetscapes, and other features that create the look and feel of the built environment. We are considering a mix of town hall style meetings, video engagements, and Planning Commission meetings to conduct this engagement.

The General Plan engagement will largely be conducted at the Planning Commission and Committee level before bringing recommendations to the City Council. Many of the General Plan Elements only require minor revision (Table 3). The General Plan adopted in 2000 is still relevant to the City’s values today. There are minor revisions to clean up language and modest policy amendments that reflect lessons learned implementing the General Plan over the past 20 years.

The Land Use, Infrastructure, and Circulation (Transportation) Elements are in need of major revision (Table 3). These elements have updates based on broad changes proposed to meet community need. For example, the Land Use Element will update land use designations throughout the City to accommodate changed and changing needs for housing and other land uses (Attachment A). These broad changes will require major updates to this Element.

The changes to these elements will be considered by the relevant Committees with proposed changes based on community input and updated planning methods and technologies (e.g., complete streets, broader application of mixed-use, updates of the wastewater treatment system, and climate adaptation).

There are new elements and policies recommended for the updated General Plan. The City made racial equity a priority in its General Plan update. Staff worked with Change Lab Solutions, through a technical assistance grant managed by our partners at NorCal4Health, to develop a Health and Equity Element. This is a new proposed element of the General Plan.

Staff are also working to develop a racial equity and social justice policy working group to provide input on existing policy and to develop a framework for auditing policy to increase equity and inclusion at the policy level. These efforts reflect the racial equity and social justice emphasis included in the General Plan update. While this work is in progress, and no deliverable has been produced, the important milestone of convening partners has occurred.

In addition to this work the draft Land Use map and Growth Management Element have been shared out and input is forthcoming.

The Gateway Area Plan has generated significant, diverse and in sections divergent public input. We will continue to gather input through the community design process which might bring some of the divergent ideas aligned. Ultimately, the Council may need to balance the various policy questions to make decisions on the Gateway Plan. To support this process, staff will pull together the engagement results, bring the recommendations for modifications from the various recommending bodies and public, identify the policy balance pros and cons, and make a recommendation for the Council to consider.

The General Plan updates will be able to be adopted once the Environmental Impact Report is completed. The Environmental Impact Report will look at the highest potential for impacts recognizing that ultimate adopted plan will have a lower level of impact that is being considered. The various zoning amendments necessary to implement the General Plan will be adopted over the course of the several months after the adoption of the General Plan. To comply with the Housing Element certification, the City will need to adopt a version of the Gateway Area Plan, or sufficient upzonings to meet its housing share gap identified in the Housing Element (approximately 160 units). The Housing Element further required that the approval process be ministerial (not subject to CEQA) for the added units.

Milestones

As discussed above, the City has already met two major milestones. The first was the adoption of the Housing Element. The second was the adoption of the Infill Market Study. The Council adopted the Housing Element after multiple years of discussing the Gateway Area Plan in concept. The Housing Element included conceptual housing opportunities of the future Gateway Plan, as well as other opportunity infill zones, as an implementation measure in the Housing Element. The Housing Element was certified by the California Housing and Community Development Department (HCD) with the requirement that the City adopt the stated rezones to meet the City's share of the Regional Housing Needs Allocation.

The Housing Element was adopted with considerable input from the community. The Housing Element includes an engagement report summarizing the engagement efforts and the public input. That report can be found at <https://www.cityofarcata.org/DocumentCenter/View/9436/2019-2027-Housing-Element-Appendices>.

The Council wanted to ensure that the Gateway Plan was feasible. To that end, the Council adopted the Infill Market Study, which evaluated cost feasibility of various levels of unit density, mix of uses, ownership vs. rental, and construction methods. The Infill Study also included extensive outreach primarily through stakeholder meetings. The study and Community Engagement Report are located at <https://www.cityofarcata.org/967/Arcata-Infill-Market-Study>.

The City released the Draft Gateway Area Plan in December of 2021. The Gateway Plan was commissioned by the City Council in March of 2021 with the contract award to Planwest Partners. The Plan is currently under review by the public.

The broader General Plan update is starting to meet milestones. The General Plan that was adopted in 2000, and amended periodically since, still reflects the community values and vision fairly well. Most of the General Plan Elements need only minor updates. Some, like the Land Use Element, which may see several modifications to Land Use designations (Table 3), will have more extensive updates. And there are a few new or complete replacement Elements. The Parks and Recreation Element, for example needs to be completely replaced. Most other elements will have some level of review and update.

Table 3. General Plan Element Level of Revision and Related Plans.

| Element | Level of Revision | Documents/Plans/ETD |
|----------------------------------|-------------------|--|
| Vision Statement | minor | none |
| Land Use Element | major | SIRP, HE, Market Study, WWTP Memo, LCP Outreach |
| Growth Management | minor | MSR, SIRP, LCP |
| Transportation/Circulation | moderate | Bike/Ped, CIP, P&RMP, Creekside Annexation |
| Public Facilities/Infrastructure | major | WWTP Facilities plan, CIP, Market Study |
| Open Space | minor | OSMP, PRMP, Bike/Ped, SALC |
| Resource Conservation | minor | OSMP, PRMP, Bike/Ped, SALC |
| Design | minor | SIRP, HE, Market Study, WWTP Memo, LCP Outreach |
| Public Safety | minor | |
| Parks and Recreation | revise | PRMP |
| Local Coastal Element | revise | LCP, SIRP |
| NEW POLICY BODY | | |
| Equity | new | |
| Environmental Justice | new | |
| Climate | new | LCP, SIRP, Vulnerability Assessments, TEE |
| key | | |
| | | round 1: elements related to conservation/growth and retention of space |
| | | round 2: elements that will require less major revision that are unrelated to GM |
| | | round 3: elements that will require the most major revisions |
| | | woven throughout: LCP updates resulting from other GPUs, Equity, EJ, Climate |

Timeline Considerations

The proposed timeline is based on a mix of financial, regulatory, and practical factors. The timeline runs through the end of 2022, with the documents being ready for final review and potential adoption in early 2023. The proposed timeline is responsive to these primarily external factors, but the City Council has full discretion over the timeline. Below are outlined a few of the critical funding deadlines for consideration by the Council regarding the timeline.

The work is largely funded by grants (Table 4) that have completion deadlines at the end of 2022. Staff inquired with the grantees about extensions, scope of work modifications, and expenditure deadlines. Staff also requested information about the consequences of missing deadlines or not providing deliverables. Responses have been mixed.

Table 4. Sources and Uses

| | Uses | Market Study | Engagement | Housing Element | Area Plan | GP Amends | LCP/K-Street | CEQA | Staff | |
|------------------|---------------------|------------------|-----------------|------------------|-------------------|-------------------|--------------|------|------------------|-------------------|
| Sources | AED | Equinos | Placework | TBD | TBD | | | | | Subtotals |
| CDBG 2017 | \$ 100,000 | \$ 70,000 | \$ - | \$ 23,000 | \$ - | \$ - | | | \$ 7,000 | 100,000 |
| SB2 Round 1 | 160,000 | | | | 144,000 | | | | 16,000 | 160,000 |
| GPU Current Bal | 155,000 | | | 37,197 | | 68,750 | | | 25,000 | 130,947 |
| GPU 2022 | 15,000 | | 4,355 | | 5,000 | | | | | 9,355 |
| SB2 LEAP | 65,000 | | | | | 61,750 | | | 3,250 | 65,000 |
| Creekside | 130,000 | | | | | | | | | - |
| LCP Grant | 70,000 | | | | | | 45,000 | | | 45,000 |
| TBD | 250,000 | | | | | | | | | |
| TBD | 150,000 | | | | | | | | | |
| SALC | 250,000 | | | | 250,000 | | | | | 250,000 |
| Matching In-Kind | 25,000 | | | | 12,500 | 12,500 | | | | 25,000 |
| | \$ 1,370,000 | \$ 70,000 | \$ 4,355 | \$ 60,197 | \$ 399,000 | \$ 143,000 | | | \$ 51,250 | \$ 727,802 |

The Sustainable Agricultural Lands Conservation (SALC) grant may be extended without penalty. However, failure to deliver after the extension may require the City to repay the grant funds totaling \$250,000. The SB2 and Local Early Action Planning (LEAP) grant cannot be extended. Missing the deliverable would likely require repayment totaling \$225,000. The funds for the Creekside project have not been triggered yet, but those additional funds could help offset repayment instead of furthering the planning implementation, which is the current proposed use of those funds. The LCP Grant is closed out, and the grant objectives related to the Gateway Plan have been completed. The General Plan Update (GPU) funds are locally held funds that are collected with building and planning permit issuance. These funds accumulate over time and are used for General Plan updates and related zoning updates. These funds do not have to be repaid, but are limited and do not replenish quickly. The GPU source will likely be exhausted by the end of this calendar year.

Without these outside fiscal resources, the City would need to budget the work out of the General Fund.

The regulatory factors largely tie to housing element law, but there is related legislation to consider as well (Attachment B). Housing Elements are required to be certified by the State Housing and Community Development (HCD). Jurisdictions that do not fulfill their obligations under the housing element risk decertification, loss of local land use control, and other enforcement penalties, including legal action by the State Attorney General.

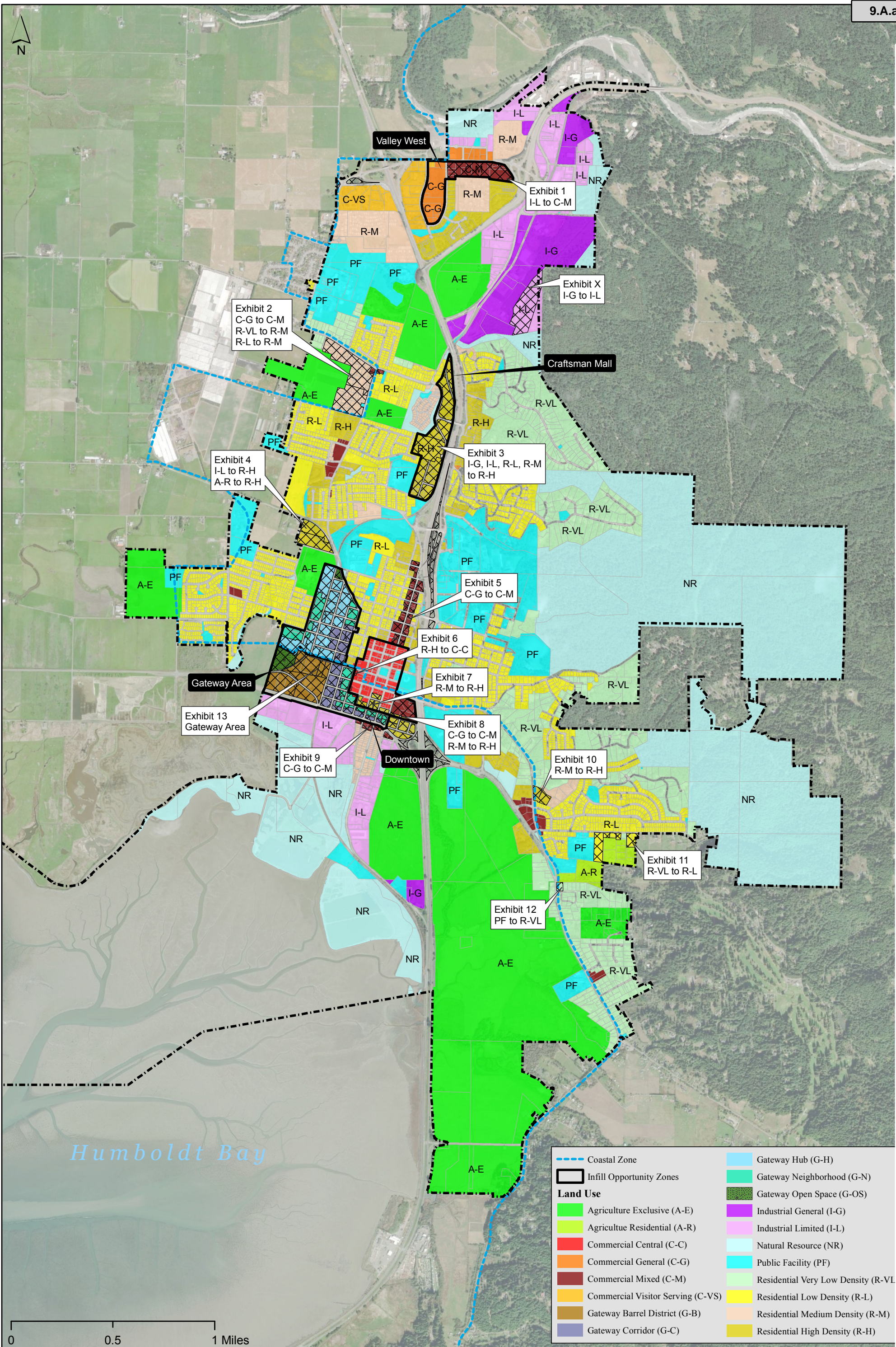
The City committed to upzoning to meet its housing share (Housing Element Implementation Measure 20). The certification was contingent on completing the rezone by August 31, 2022. The state will likely allow some leniency if the City is making good progress, but may choose to decertify the Housing Element if not. Decertification would have multiple cascading negative consequences that would affect several housing, economic development, and transportation grant programs, so we will work hard to show good faith efforts and forward progress.

ENVIRONMENTAL REVIEW (CEQA):

The General Plan updates, including the Gateway Area Plan, and the proposed

ATTACHMENTS:

- A. General_Plan_Update_v2 (PDF)
- B. Housing Law (PDF)

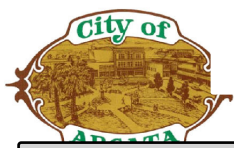


Attachment: A: General Plan Update v2 (3895 : SIRP Update May 22)

Figure X.

City of Arcata General Plan Land Use Updates

Created by Planwest Partners
Map Date: 4/29/2022



| Law | Effect | Impact | | Code Sections |
|--|---|---------|---------|---------------|
| | | Funding | Control | |
| Housing Element Law | Noncompliance results in loss of HCD, CalTrans, other funding. Related laws result in loss of local discretionary control for project approval. | X | X | GC 65580 etc |
| Housing Accountability Act | Prevents denial of a housing project, emergency shelters, and farmworker housing that meets objective standards; adds protections to affordable housing projects; cannot reduce density as a condition of approval. | | X | GC 65589.5 |
| No Net Loss Act | Prevents jurisdiction from downzoning unless it can show adequate sites to meet RHNA; requires jurisdiction show adequate sites to meet low and moderate income sites through the entire housing element cycle. | X | X | GC 65863 |
| Permit Streamlining Act | Provides a developer with the option of submitting a “preliminary application” for any housing development project, allowing a developer to “freeze” the applicable fees and development standards that apply to the project while the developer assembles the full application | | X | GC 65943 |
| Housing Crisis Act | Prevents downzoning; prevents housing development moratoria; prevents use of subjective standards . | | X | GC 66300 |
| Streamlined Ministerial Approval Process | Requires ministerial approval of projects with at least 10% lower income units that meet general plan land use designation on an infill site. Triggers if the pro-rata share of housing units in RHNA not met by midpoint of Housing Element cycle (2023 for Arcata). | | X | GC 65913.4 |

Attachment: B. Housing Law (3895 : SIRP Update May 22)

| | | | | |
|---------------------------------|--|--|---|-----------------|
| ADU Law | Permits by-right Accessory Dwelling Units and Junior ADUs in some cases; limitations on parking and other site standards; requires ministerial review; may apply objective architectural standards. Up to four units on a SF zoned lot. Upto max density plus two plus 25% max density on a multifamily lot. | | X | GC 65852.2 etc. |
| SB9 | Permits ministerial small lot subdivision resulting in two parcels on a residentially zoned lot; max two units per resultant parcel. | | X | GC 65852.21 |
| Unit Split Land Use Limitations | Provides ministerial review and permit streamlining for any multifamily units that splits units to add density; limits parking requirements; no limitation on upper density. | | X | GC 65913.11 |

<https://www.hcd.ca.gov/community-development/accountability-enforcement.shtml>